

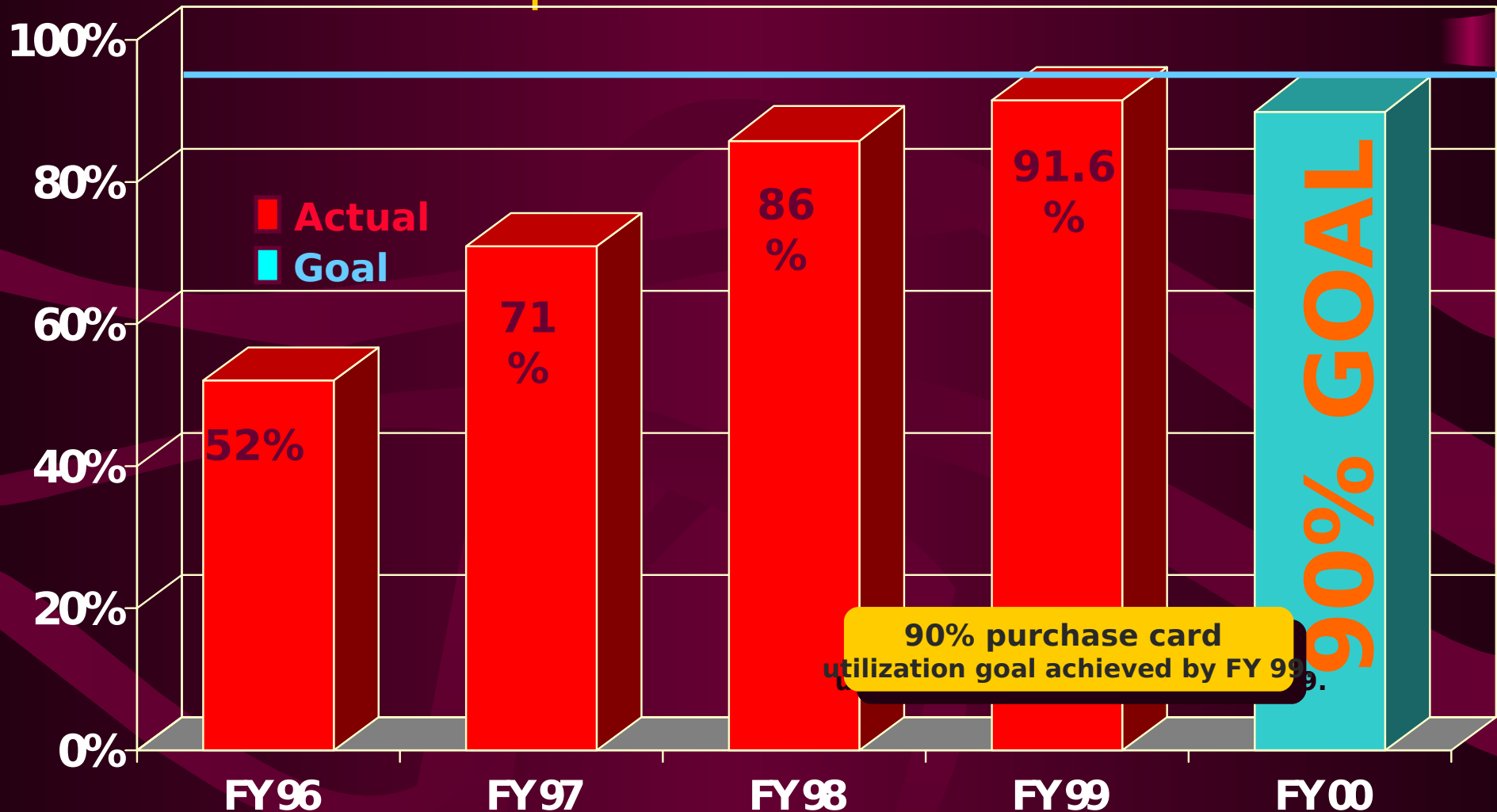
Department of Defense Purchase Card Program

U.S. Air Force
Wright-Patterson AFB, OH
12-13 July 2000

Bruce E. Sullivan
Director, Purchase Card Joint Program Office

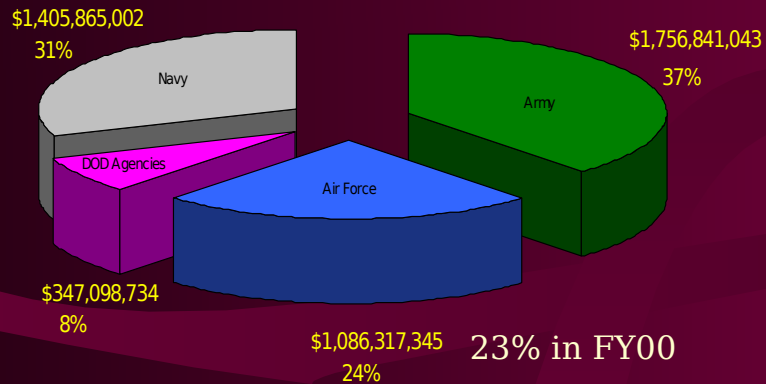
By FY '00, 90 percent of good and services less than \$2,500 will be bought using the purchase card.

Percentage of Total Micro-purchases Made Using the purchase card.

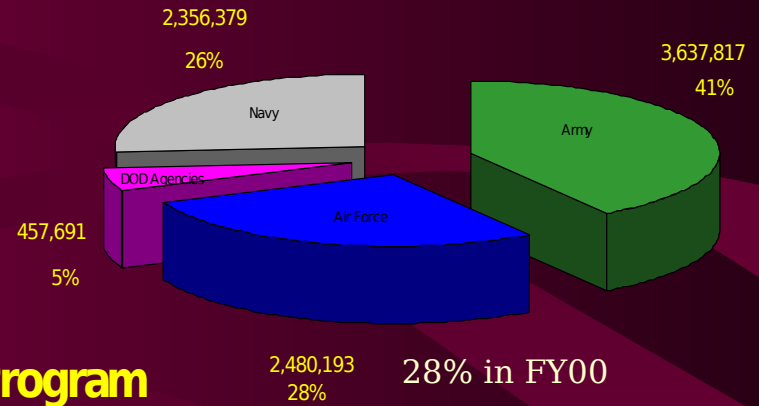


90% purchase card utilization goal achieved by FY 99.

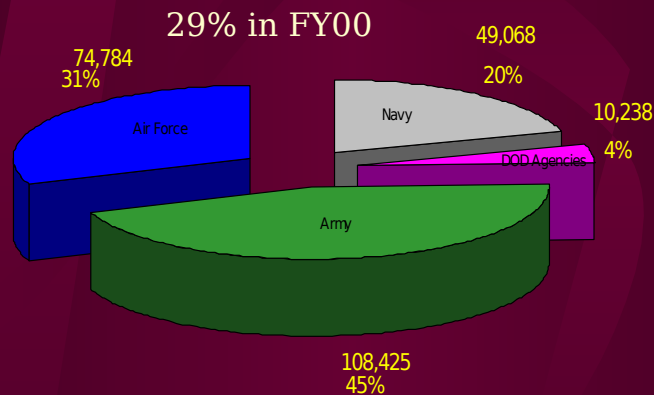
DOD Purchase Card Program FY1999 Dollars Purchased



DOD Purchase Card Program FY1999 Card Purchases



DOD Purchase Card Program FY1999 Cards Issued



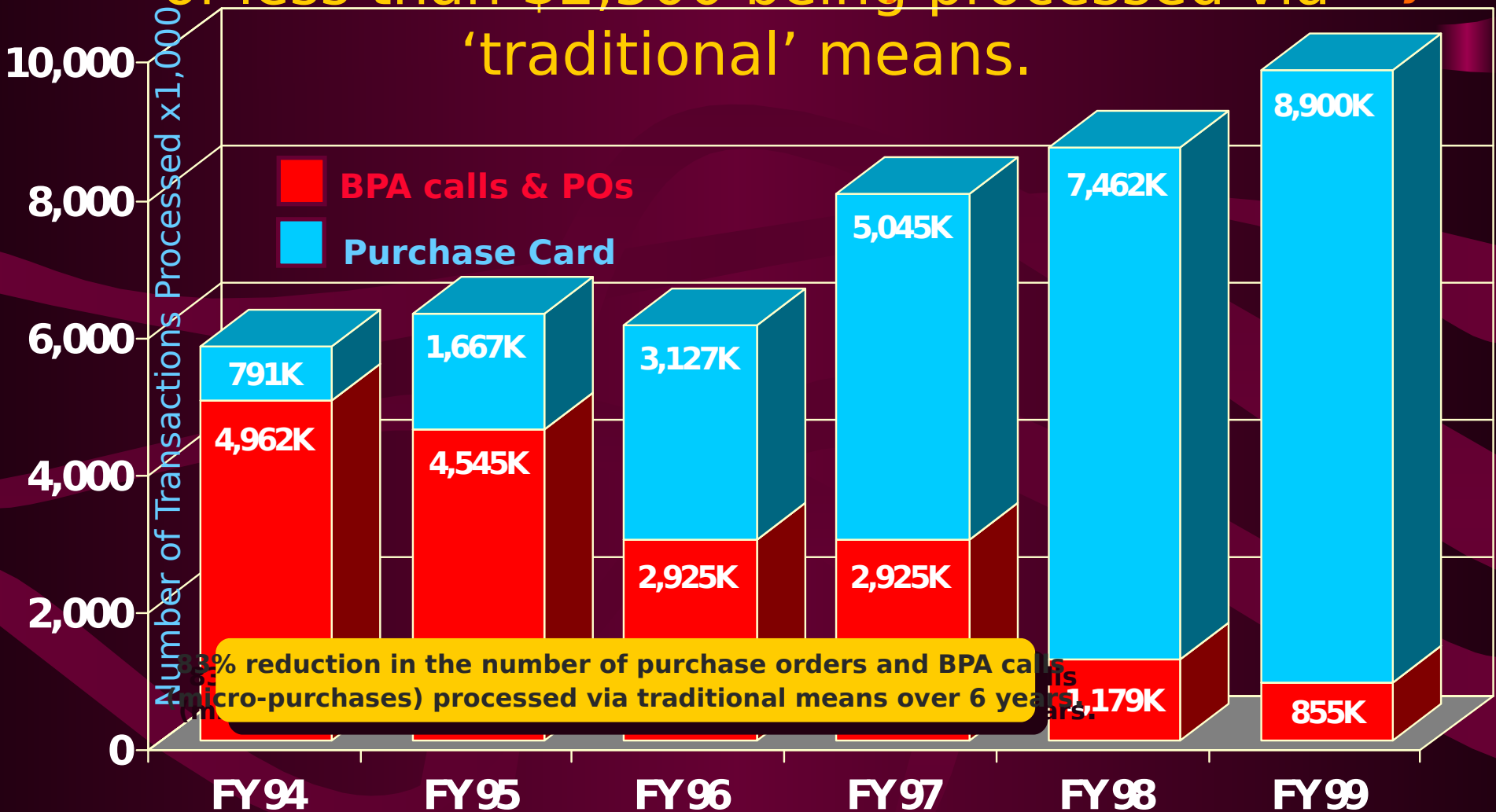
Statistics and Metrics as of MAY 2000

FY 00 DoD Purchase Card Usage, US Bank and Citibank

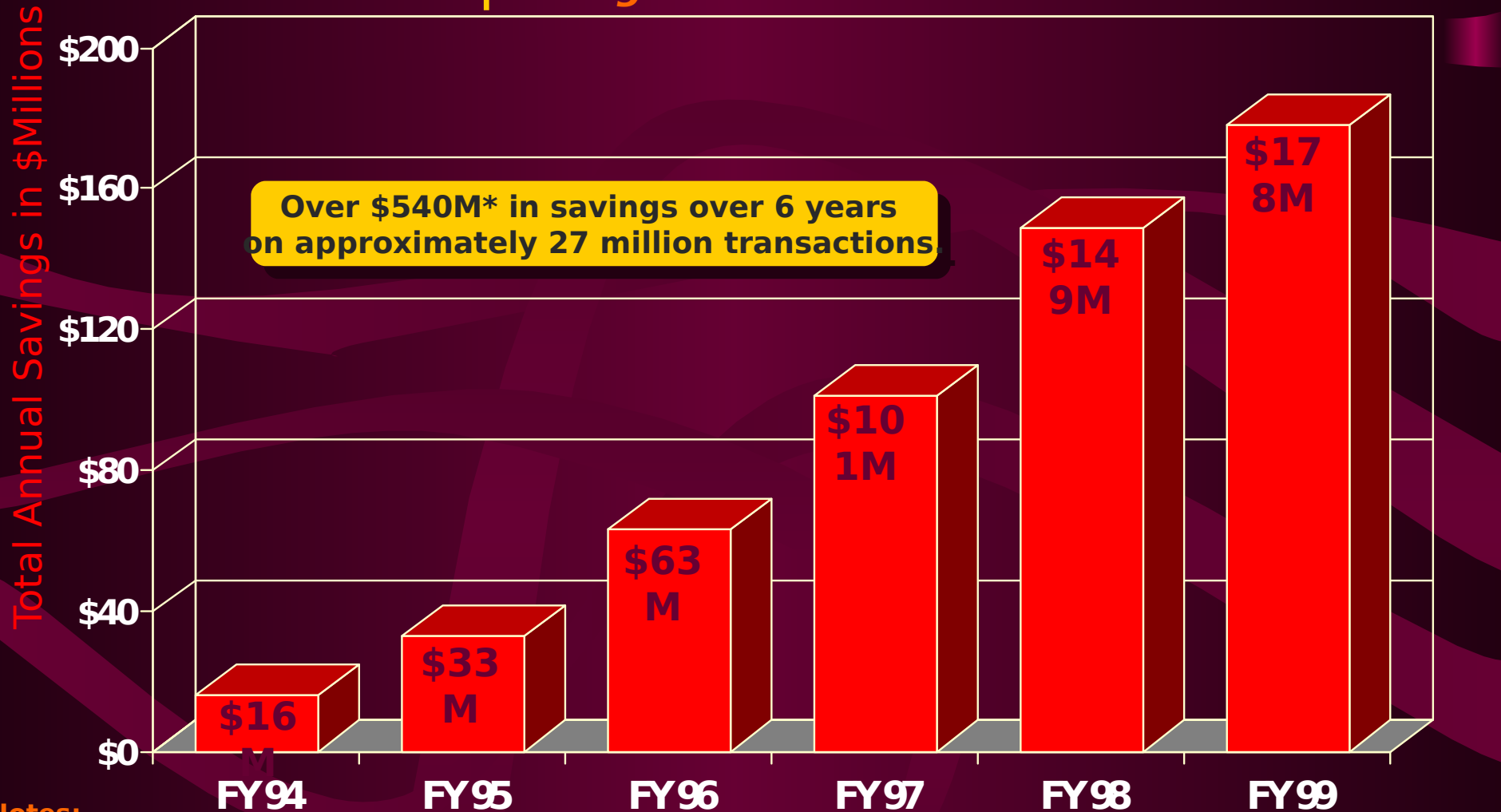
Total Accounts		Fiscal Year Thru May 00		
Agency **	B/O	C/H	Sales	Transactions
<u>Navy</u>	11,655	45,159	\$1,092,877,123	1,729,979
<u>Army</u>	26,494	114,383	\$1,241,984,455	
2,579,823				
<u>Air Force</u>	18,231	73,447	\$763,772,380	1,769,390
	30%	29%	23%	28%
<u>Defense Agencies</u>	3,786	11,743	\$206,541,581	330,195
<u>Totals</u>	60,722	249,677	\$3,309,175,539	
6,409,387				

Continued reductions in the total number of transactions

of less than \$2,500 being processed via 'traditional' means.



Decrease administrative burden associated with processing micro-purchase transactions through increased purchase card transactions



Notes:

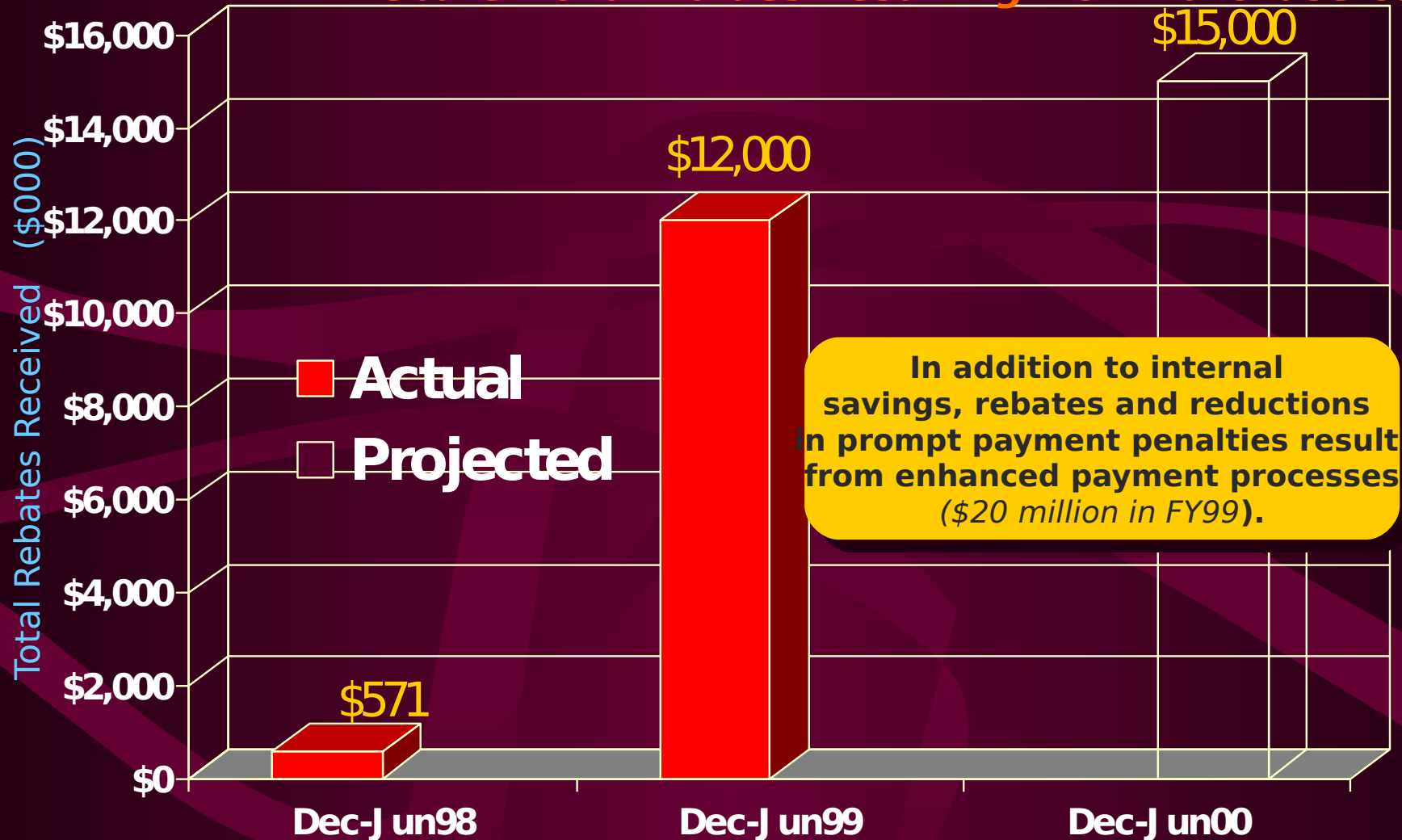
1) Purchase Card administrative savings based upon lowest published estimate of \$20 saved per transaction over traditional processing means.

Source: Purchase Card PMO

DRO 2000 CD: Chapter

DoD Realizing Increased Payment Rebates via Purchase Cards

Rebate Dollar Values Resulting from Purchase Card U



DOD Purchase Card Program

Bank Refunds

USAF = \$1.086 billion in '99 sales

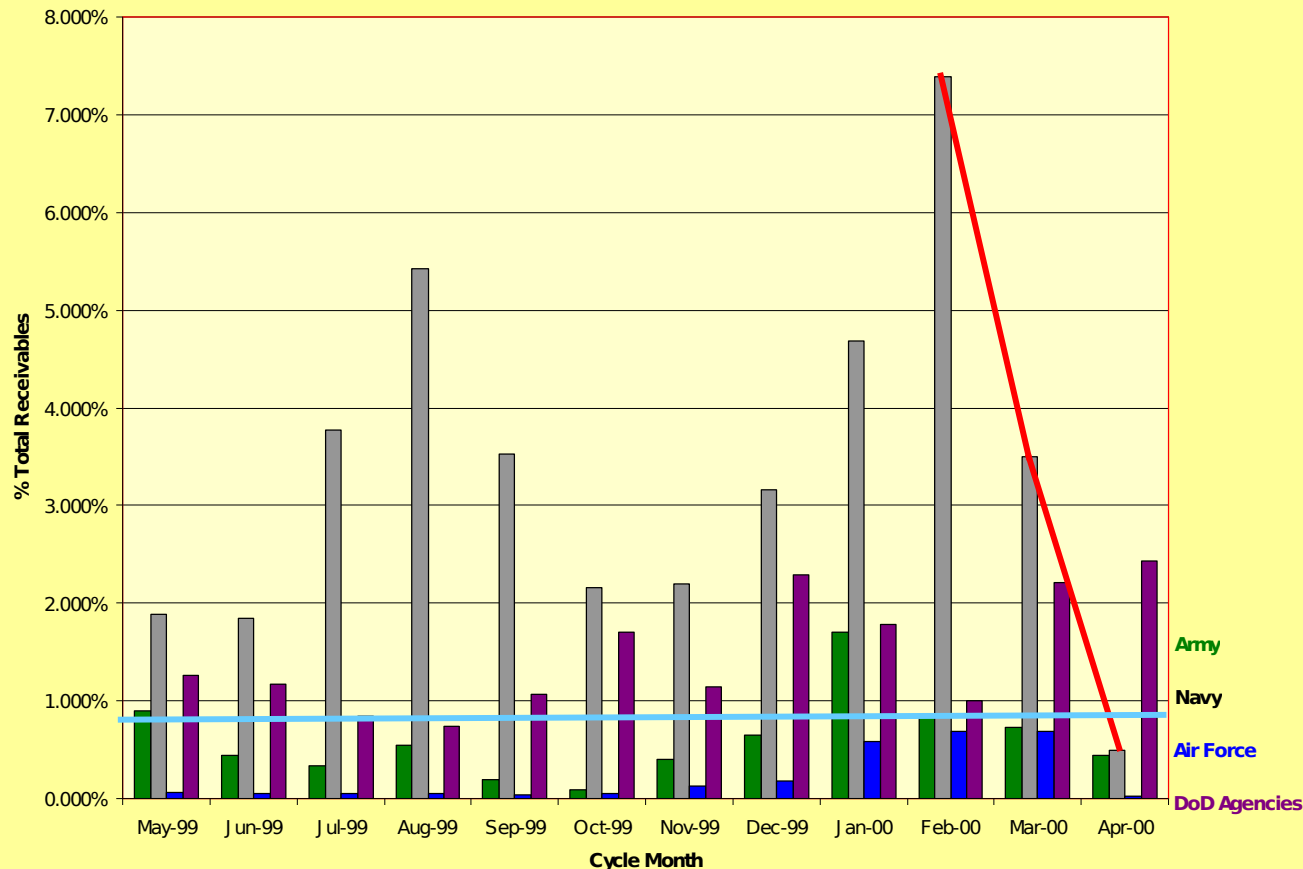
Days after cycle	45	35.90	32	55.55	19	75.85	Basis Points (.00%)
	44	37.40	31	57.10	18	77.45	
	43	38.90	30	58.64	17	79.00	
	42	40.40	29	60.15	16	80.60	
	41	41.90	28	61.41	15	82.20	
	40	43.40	27	63.25	14	83.85	
	39	44.90	26	66.35	13	85.45	
	38	46.40	25	67.95	12	87.05	
	37	47.90	24*	69.55	11	88.70	
	36	49.40	22	71.10	10	90.30	
	35	50.95	21	72.70	9	91.95	
	34	52.45	20	74.25	8	93.55	

USA = 31 days/USAF* = 24 days

**\$7 - \$9.4
Million**

DOD Purchase Card Program Delinquencies

DoD Delinquencies 60+ Days



- 60 days delinquent
Suspend Billing
Account

- 180 days delinquent
Suspend all level 4
Accounts

Legislative Efforts

- Raise Micro-Purchase Threshold to \$10,000
 - Reform initiative on Hill defeated
 - Labor and Small Business communities objected
 - Not likely to re-visit
- Overseas Single Purchase Limit to \$25,000
 - Implemented
- Refund Distribution
 - Apply to current year funds when received
 - Apply to appropriations used to support purchases
 - attempting to change to O&M funds

DOD Purchase Card Program

Issuing and Funding Cards

- DoD policy to issue cards at lowest level
 - empower and hold accountable
- Approving/Certifying Officials in cardholder chain of command
 - review/approval critical internal control
 - pecuniary liability exists
- Resource/Financial Manager involved in set-up process
 - identify appropriation and funding limit
 - commit/obligate funding prior to card usage
 - minimize detail (single line of accounting?)

DOD Purchase Card Program

Purchase versus Payment

- ✓ Purchases at and below Micro-Purchase Threshold
 - authorizes purchases without clauses/provisions
 - eliminates need for “paper”
 - requires determination of fair and reasonable price
 - requires rotation of sources
 - NIB/NISH and UNICOR **are** applicable
 - card offers best (simplest) method for purchase
 - DoD mandates use of card

DOD Purchase Card Program

Purchase versus Payment

- ✓ Purchases above the Micro-Purchase Threshold
 - clauses/provisions apply
 - more complex procedures as costs increases
 - small business
 - competition
 - advertising
 - card cannot be used as stand-alone purchasing method
- HOWEVER:***
 - **orders** placed against large contract offer similar savings
 - can be written or verbal
 - card can be designated method of payment (*different than Lighting Bolt*)

DOD Purchase Card Program

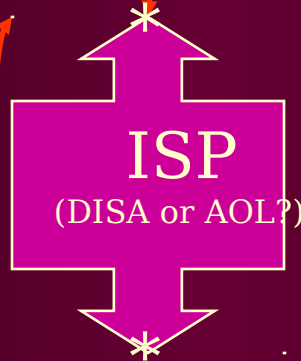
Program Direction

- Increase use of card as payment with *GSA Advantage* or Service requirements contracts
 - *approximately 4 million orders placed against schedules and requirements contracts last year!*
 - cardholders appointed as Ordering Officials
 - develop metrics - monitor performance
 - capture contract data via *GSA Advantage/Mall*
- Cardholder and billing statements on web
- Certification on web next year
- AF to move to C.A.R.E.
 - for posting of obligations and making payments when current AF Use Cases implemented

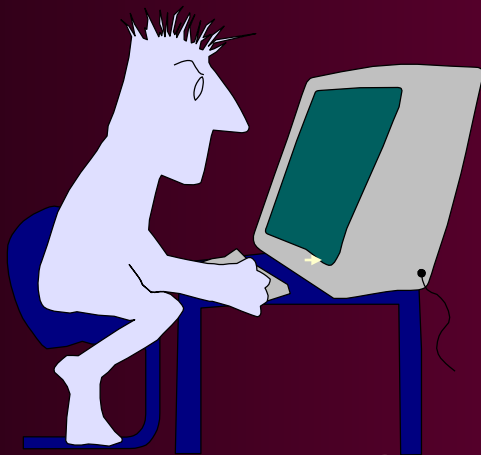
Quality of Service

C.A.R.E.

Bank



Installation



Account Set Up
CH/BO
Account Maintenance
Reports
Oversight

Agency Program Coordinator

Department of Defense
Purchase Card Program Management Office



Thank You!

Visit us at

<http://purchasecard.sarda.army.mil>